

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

PROPET USA, INC.,)	CASE NO. C06-0186-MAT
)	
Plaintiff,)	
)	ORDER DENYING DEFENDANT
v.)	LLOYD SHUGART'S RENEWED
)	MOTION FOR ATTORNEYS' FEES
LLOYD SHUGART,)	AND GRANTING PORTION OF
)	COSTS
Defendant.)	
_____)	

Defendant Lloyd Shugart (hereinafter "Shugart") filed a renewed motion for attorneys' fees and costs pursuant to 17 U.S.C. §§ 505, 1203(b)(4),(5), and the "film delivery memo" at issue in this case. (Dkt. 189.) The Court denied Shugart's initial motion for attorneys' fees and costs without prejudice to his ability to file a properly supported motion. (Dkt. 187.) Shugart now reasserts his request, seeking an indeterminate amount of fees based on an enhancement of an asserted lodestar figure of "roughly \$300,000.00." (Dkt. 189 at 4, 7-9.) Although not clarified in the renewed motion, the Court presumes Shugart's previous request for costs in the amount of \$868.23 remains. (See Dkt. 177 and Dkt. 189, Ex. F. at 16.) Plaintiff Propet USA, Inc. (hereinafter "Propet") objects to the motion. (Dkt. 191.) Now, having considered the papers filed

ORDER DENYING DEFENDANT LLOYD SHUGART'S
RENEWED MOTION FOR ATTORNEYS' FEES AND
GRANTING PORTION OF COSTS

01 in support and in opposition, along with the remainder of the record, the Court hereby DENIES
02 Shugart's renewed request for attorneys' fees and GRANTS in part his request for costs for the
03 reasons discussed herein.

04 BACKGROUND AND DISCUSSION

05 On September 27, 2007, a jury found in Shugart's favor on his three counterclaims –
06 copyright infringement, violation of the Digital Millennium Copyright Act (DMCA), and
07 stolen/lost photos (as based on the film delivery memo). (Dkt. 136.) With an election of statutory
08 damages, Shugart's jury award amounted to a total of \$1,303,000.00. (*Id.* and Dkt. 166.) The
09 Court rendered final judgment in Shugart's favor on January 24, 2008. (Dkt. 175.)

10 Both the Copyright Act and the DMCA give the Court discretion to award costs and
11 reasonable attorneys' fees to a prevailing party. 17 U.S.C. §§ 505, 1203(b)(4), (5). *Accord*
12 *Fantasy Inc. v. Fogerty*, 94 F.3d 553, 555 (9th Cir. 1996) (“[A]n award of attorney's fees to a
13 prevailing [party] that furthers the underlying purposes of the Copyright Act is reposed in the
14 sound discretion of the district courts[.]”) Therefore, because he is the prevailing party in this
15 case, the Court may at its discretion award costs and reasonable attorneys' fees to Shugart. Also,
16 the film delivery memo contains provisions accounting for attorneys' fees in the event of a dispute.
17 (*See* Trial Exhibit 11.)

18 Shugart previously based a request for attorneys' fees in the amount of \$521,200.00 on
19 a contingent fee agreement entitling his counsel to an amount equal to forty percent of his
20 recovery. (Dkt. 177, Ex. B.) He also argued the reasonableness of the award sought under the
21 conventional lodestar computation, meaning the number of hours reasonably expended multiplied
22 by a reasonable hourly rate. *Jordan v. Multnomah County*, 815 F.2d 1258, 1262 (9th Cir. 1987).

01 He calculated the lodestar as amounting to \$265,462.00, while arguing that such an amount should
02 be enhanced based, in particular, on the high degree of risk involved in taking his case and the
03 novelty and difficulty of the issues involved.

04 Propet objected to Shugart's request, contending that the amount of fees sought was
05 excessive, asserting an absence of evidence that the asserted hourly rates – \$625.00 per hour for
06 attorney Phillip Mann and \$450.00 per hour for attorney John Whitaker – are reasonable or
07 customary, or that the amount of time spent by the attorneys was reasonable or necessary. (*See*
08 Dkt. 177, Ex. C.) Propet contrasted the hourly rates with that of Shugart's initial attorney, Jon
09 Payne, who billed at a rate of \$245.00 per hour. (*Id.*, Ex. D.) Propet also disputed the contention
10 that the copyright and contract issues involved in this case were novel or especially difficult.

11 In denying Shugart's initial motion, the Court noted that the lodestar determination is “the
12 predominate element of the analysis’ in determining a reasonable attorney’s fee award.” *Morales*
13 *v. City of San Rafael*, 96 F.3d 359, 363 (9th Cir. 1996) (quoting *Jordan*, 815 F.2d at 1262). As
14 reflected above, that determination involves multiplication of the number of hours reasonably
15 expended on the litigation by a reasonable hourly rate. *Id.* “There is a strong presumption that
16 the lodestar figure represents a reasonable fee.” *Id.* at 363 n.8.

17 Following computation of the lodestar, the Court assesses whether it should adjust the
18 presumptively reasonable lodestar amount based on factors outlined in *Kerr v. Screen Guild*
19 *Extras, Inc.*, 526 F.2d 67, 70 (9th Cir. 1975), and not already subsumed in the initial lodestar
20 calculation. *Morales*, 96 F.3d at 363-64. *Kerr* adopted the consideration of twelve different
21 factors bearing on reasonableness:

22 (1) the time and labor required, (2) the novelty and difficulty of the questions

involved, (3) the skill requisite to perform the legal service properly, (4) the preclusion of other employment by the attorney due to acceptance of the case, (5) the customary fee, (6) whether the fee is fixed or contingent, (7) time limitations imposed by the client or the circumstances, (8) the amount involved and the results obtained, (9) the experience, reputation, and ability of the attorneys, (10) the “undesirability” of the case, (11) the nature and length of the professional relationship with the client, and (12) awards in similar cases.

526 F.2d at 70. The subsumed factors presumably taken into account in the initial lodestar calculation include: “(1) the novelty and complexity of the issues, (2) the special skill and experience of counsel, (3) the quality of representation, . . . (4) the results obtained,’ . . . and (5) the contingent nature of the fee agreement[.]” *Morales*, 96 F.3d at 364 n.9 (internal quoted and cited sources omitted). “[U]pward adjustments of the lodestar are proper only in ‘rare’ and ‘exceptional’ cases, supported by specific evidence on the record and detailed findings by the district court.” *Jordan*, 815 F.2d at 1262 (citing *Blum v. Stenson*, 465 U.S. 886, 898-901 (1984)).

In denying Shugart’s motion, the Court clarified that it may not consider the latter subsumed factor – contingency – “in deciding to apply a multiplier to the lodestar fee *or in initially calculating the lodestar.*” *Davis v. City and County of San Francisco*, 976 F.2d 1536, 1548-49 (9th Cir. 1992) (emphasis added) (citing *City of Burlington v. Dague*, 505 U.S. 557 (1992)). Shugart’s argument as to contingency relied on cases involving attorneys’ fees in Social Security benefits cases pursuant to 42 U.S.C. § 406(b), as opposed to fee-shifting statutes, like those at issue here. *See, e.g., Gisbrecht v. Barnhart*, 535 U.S. 789, 801-02, 806 (2002) (“Fees shifted to the losing party, however, are not at issue here. . . . 42 U.S.C. § 406(b) . . . does not authorize the prevailing party to recover fees from the losing party. Section 406(b) is of another genre: It authorizes fees payable from the successful party’s recovery.”; recognizing the lodestar method as “the guiding light of our fee-shifting jurisprudence.”; emphasizing that “the lodestar

01 method was designed to govern imposition of fees on the losing party[,]" and that, "[i]n such
02 cases, nothing prevents the attorney for the prevailing party from gaining additional fees, pursuant
03 to contract, from his own client.") Shugart failed to address or even mention any of the law from
04 the Ninth Circuit Court of Appeals on this issue. *See, e.g., Welch v. Metropolitan Life Ins. Co.*,
05 480 F.3d 942, 947 (9th Cir. 2007) ("[C]ontingency cannot be used to justify a fee enhancement,
06 or an inflated hourly rate.") (cited cases omitted); *Van Gerwen v. Guarantee Mut. Life Co.*, 214
07 F.3d 1041, 1048 (9th Cir. 2000) ("A district court may not rely on a contingency agreement to
08 increase or decrease what it determines to be a reasonable attorney's fee."); *Davis*, 976 F.2d at
09 1549 (stating that the Supreme Court in *Dague* declared that "the typical federal fee-shifting
10 statutes . . . do not allow for upward adjustments to a lodestar fee on the basis that prevailing
11 party's counsel incurred the risk of nonpayment."; "[W]e believe that [the *Dague* Court's]
12 rejection of contingency as a basis for multiplying a lodestar fee similarly dictates that contingency
13 not be a factor in the setting of billing rates. *Dague* represents an outright rejection of contingency
14 as a factor relevant to the establishment of a reasonable fee; it would seem to be immaterial
15 whether the consideration of contingency occurs in deciding to apply a multiplier to the lodestar
16 fee or in initially calculating the lodestar.") (citing *Dague*, 505 U.S. 557).¹

17 The Court also noted another critical failing in Shugart's initial motion as related to the
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19 ¹ Shugart asserts his right to appeal this issue based on an alleged unsettled nature of the
20 law and based on reasoning set forth in both a dissenting opinion of *Dague* and a Washington
21 State Supreme Court case, *Chuong Van Pham v. Seattle City Light*, 159 Wn.2d 527, 541-42, 151
22 P.3d 976 (2007) (declining to "disapprove of contingency multipliers altogether.") The Court
stresses that Shugart's position on this issue does not excuse his failure to attempt to distinguish
or even mention the above-described case law, particularly given that he relied predominantly on
the issue of contingency in his motion.

01 establishment of a reasonable hourly rate. “The determination of a reasonable hourly rate ‘is not
02 made by reference to the rates actually charged the prevailing party.’” *Welch*, 480 F.3d at 946
03 (quoted sources omitted). Instead:

04 The prevailing market rate in the community is indicative of a reasonable hourly rate.
05 The fee applicant has the burden of producing satisfactory evidence, in addition to the
06 affidavits of its counsel, that the requested rates are in line with those prevailing in the
07 community for similar services of lawyers of reasonably comparable skill and
 reputation. If the applicant satisfies its burden of showing that the claimed rate and
 number of hours are reasonable, the resulting product is presumed to be [a]
 reasonable fee

08 *Jordan*, 815 F.2d at 1262-63 (citing *Blum*, 465 U.S. at 895-97). *See also Carson v. Billings*
09 *Police Dep’t*, 470 F.3d 889, 892 (9th Cir. 2006) (holding that the prevailing market rate – not the
10 individual contract between the attorney and the client – “provides the standard for lodestar
11 calculations”). “Failure to provide evidence of prevailing legal rates in the community leaves a
12 court with an insufficient basis from which to conclude that the rates requested are ‘reasonable.’”
13 *Southerland v. International Longshoremen’s and Warehousemen’s Union, Local 8*, 845 F.2d
14 796, 801 (9th Cir. 1987) (remanding where “counsel submitted affidavits stating his experience
15 and that the rates claimed were reasonable,” but where “there [was] no evidence in the record that
16 [the] rates were comparable with the prevailing rates in the community.”) (citing *Jordan*, 815 F.2d
17 at 1263 n.9). In his initial motion, Shugart provided no support for his bare assertion that the
18 asserted hourly rates were reasonable.

19 The Court also indicated that it must “exclude from [the] initial fee calculation hours that
20 were not ‘reasonably expended,’” including “excessive, redundant, or otherwise unnecessary”
21 work. *Hensley v. Eckerhart*, 461 U.S. 424, 434 (1983). While noting that Shugart did submit
22 billing records from his current and former counsel (*see* Dkt. 177, Exs. C & D), the Court declined

01 to closely analyze that evidence pending further briefing.

02 Denying Shugart's motion without prejudice, the Court stated that a renewed motion must
03 reflect an accurate statement of the law and contain adequate support for the request made. Now,
04 considering the renewed motion, the Court once again finds Shugart's request for attorneys' fees
05 deficient.

06 As reflected above, the hourly rates at issue here include the following: \$625.00 per hour
07 for attorney Phillip Mann; \$450.00 per hour for attorney John Whitaker; and \$245.00 per hour for
08 attorney Jon Payne. Shugart states that Mann and Whitaker are intellectual property litigators
09 with nearly twenty-five years and twelve years experience respectively. Shugart also states that
10 both attorneys hold engineering degrees and routinely handle litigation involving complex
11 computer-related technologies and issues, especially pertinent to the DMCA claim in this case.
12 Finally, Shugart describes Payne as having almost twelve years legal experience with a focus on
13 complex civil litigation, commercial litigation, county and municipality law, and civil appellate
14 practice. However, for the reasons described below, the Court concludes that Shugart once again
15 fails to meet his burden of producing satisfactory evidence that the asserted rates are in line with
16 those prevailing in the community.

17 First, the fee applicant bears the burden "to produce satisfactory evidence – *in addition*
18 *to the attorney's own affidavits* – that the requested rates are in line with those prevailing in the
19 community for similar services by lawyers of reasonably comparable skill, experience and
20 reputation." *Blum*, 465 U.S. at 895-97 (emphasis added); *accord Jordan*, 815 F.2d at 1262-63
21 (same). Here, in two separate motions filed with this Court, none of the above attorneys
22 submitted affidavits or declarations in support of their request for attorneys' fees.

01 Second, the declarations that are submitted by Shugart fall short of establishing the
02 reasonableness of the hourly rates. David Tellekson attests to his twenty-five years experience in
03 intellectual property litigation and status as a managing partner in a law firm, and states his belief
04 that the rates asserted by Mann and Whitaker are reasonable in light of what other lawyers with
05 comparable skills and background charge in this market. (Dkt. 189, Ex. A.) Yet, Tellekson fails
06 to identify his own billing rate. Gregory Wesner, an intellectual property litigator with more than
07 seventeen years experience and a member of his firm's Associate Compensation Committee,
08 likewise attests to the reasonableness of the rates without identifying his own billing rates or those
09 of like experience within his firm. (*Id.*, Ex. D.) On the other hand, Steven Fricke, an attorney
10 with thirteen years of experience in the practice of intellectual property litigation and client
11 counseling, states his hourly rate of \$475.00 per hour and his belief that his rate is commensurate
12 with other attorneys of similar skill and experience in the Seattle area, without any assertion as to
13 the reasonableness of the rates asserted by the attorneys involved in this case. (*Id.*, Ex. B.)
14 Shugart also attaches a December 2007 Order awarding Fricke \$23,230.00 in attorney's fees in
15 a case in this Court based on his then standard billing rate of \$450.00 per hour. (*Id.*, Ex. C.)
16 While these two submissions appear at first glance to support at least Whitaker's rate, a review
17 of the declaration submitted by Fricke in that 2007 case reveals his status as a registered patent
18 attorney, *see High Maintenance Bitch, LLC v. Uptown Dog Club, Inc.*, C07-888TSZ (Dkt. 21),
19 a qualification associated with neither Mann nor Whitaker and which significantly differentiates
20 Fricke's skill level and billing rate.

21 In contrast, Propet's counsel, Bruce Kaser and James Philips, both intellectual property
22 litigators with some twenty-five years experience, attest to, respectively, hourly rates of \$265.00

01 and \$375.00 per hour. (Dkts. 192 and 193.) Propet also submits declarations from two other
02 intellectual property litigators with over forty and twenty years experience who attest to,
03 respectively, hourly rates of \$295.00 and \$425.00 per hour. (Dkts. 194 and 195.) While not
04 dispositive, the billing rates of attorneys are relevant evidence of a reasonable hourly rate in a
05 particular locality. *See Maldonado v. Lehman*, 811 F.2d 1341, 1342 (9th Cir. 1987). The
06 declarations submitted by Propet, when contrasted with the evidence submitted by Shugart, call
07 the reasonableness of the rates asserted by Mann and Whitaker into question.

08 Shugart also relies on the so-called “Laffey Matrix” to support his argument. However,
09 the Court finds this reliance misplaced given that the Laffey Matrix largely detracts from his
10 position. The Laffey Matrix sets out prevailing market rates of practicing attorneys in the District
11 of Columbia and, for the years 2007 and 2008, sets those rates at \$440.00 per hour for attorneys
12 with twenty or more years experience and at \$390.00 per hour for attorneys with eleven to
13 nineteen years experience. (Dkt. 189, Ex. E.) Shugart avers that, using the Laffey Matrix as a
14 guide, Payne’s hourly rate falls well below the accepted hourly rate of \$390.00 per hour for
15 general practice attorneys of a similar level.²

16 Yet, critically, given that the bulk of fees in this case are attributable to the work of Mann
17 and Whitaker,³ the Laffey Matrix does not support the rates asserted by those attorneys, with
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19 ² The Court notes that, although such a distinction may well be appropriate, the Laffey
20 Matrix document submitted by Shugart does not differentiate between general practice and more
specialized counsel. (*See* Dkt. 189, Ex. E.)

21 ³ Billing records attached to Shugart’s renewed motion show \$260,455.00 total in fees for
22 services provided by Mann, Whitaker, and support staff, and \$34,710.64 in fees for services
provided by Payne’s firm. (Dkt. 189, Ex. F at 16 and 66.)

Whitaker's rate rising to \$60.00 more an hour and Mann's rate a substantial \$185.00 more an hour. Despite these significant differences, responding to Propet's contention that the Laffey Matrix figures are irrelevant to the Seattle market, Shugart contends locality pay differentials support an almost exactly one-to-one translation between the District of Columbia and Seattle markets. (*See* Dkt. 197 at 3-4 and Ex. A.) Shugart fails to explain how, in particular, the Laffey Matrix could possibly support a \$625.00 per hour prevailing market rate in this community. Also, while the Court can consider the Laffey Matrix figures while accounting for locality pay differentials, *see, e.g., In re HPL Techs., Inc. Secs. Litig.*, 366 F. Supp. 2d 912, 921 (N.D. Cal. 2005), it finds the Laffey Matrix, alone, insufficient to establish the prevailing market rates in this community. *See Camacho v. Bridgeport Financial, Inc.*, ___ F.3d ___, No. 07-15297, 2008 U.S. App. LEXIS 8665, at *11 (9th Cir. Apr. 22, 2008) ("Generally, when determining a reasonable hourly rate, the relevant community is the forum in which the district court sits. '[R]ates outside the forum may be used if local counsel was unavailable, either because they are unwilling or unable to perform because they lack the degree of experience, expertise, or specialization required to handle properly the case.'"; finding district court erred in failing to assess or determine prevailing hourly rate in the relevant district) (citing and quoting *Barjon v. Dalton*, 132 F.3d 496, 500 (9th Cir. 1997)).

Finally, Shugart provided no declarations or other support for the billing rates of other professionals involved in this case. As noted by Propet, records from Payne's firm indicate the involvement of several other individuals – Laura Doyle, with a billing rate of \$125.00 per hour; Pam Gregory, with a billing rate of \$135.00 per hour; and Sandip Soli, with a billing rate of \$220.00 per hour. (Dkt. 189, Ex. D at 3.) Shugart also acknowledged in his reply the work

01 performed by Eryn Deblois, a paralegal and law clerk to Mann, with a billing rate of \$150.00 per
02 hour. From a review of the billing rates, it may be concluded that Soli is an attorney. However,
03 there is no information in the briefing as to his experience level and expertise. Also, while the
04 Court agrees with Shugart that work performed by non-attorneys is compensable, *see, e.g., United*
05 *Steelworkers v. Phelps Dodge Corp.*, 896 F.2d 403, 407-08 (9th Cir. 1990), it remains that he has
06 made no showing – outside of his assertion that Deblois’s rate is consistent with the Laffey Matrix
07 – as to the reasonableness of the rates of these individuals.⁴

08 The Court likewise finds the evidence submitted as to the hours expended on this case
09 deficient. Shugart asserts that his attorneys collectively dedicated approximately 633 hours to
10 litigate this matter and provides billing records. However, the 633 hours does not appear to
11 include the hours expended by Payne’s firm. (*See* Dkt. 189, Ex. F at 16.) Additionally, there is
12 no breakdown of the hours spent on various tasks or discussion of any possible duplication of
13 efforts given the various attorneys and other legal professionals involved in this case. *See Hensley*,
14 461 U.S. at 434 (“Counsel for the prevailing party should make a good-faith effort to exclude
15 from a fee request hours that are excessive, redundant, or otherwise unnecessary, just as a lawyer
16 in private practice ethically is obligated to exclude such hours from his fee submission. ‘In the
17 private sector, “billing judgment” is an important component in fee setting. It is no less important
18 here. Hours that are not properly billed to one’s *client* also are not properly billed to one’s
19 *adversary* pursuant to statutory authority.’”) (quoting *Copeland v. Marshall*, 641 F.2d 880, 891

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21 ⁴ In fact, the Laffey Matrix supports a rate of \$125.00 per hour for paralegals and law
22 clerks in the District of Columbia for the years 2007 and 2008. (Dkt. 189, Ex. E.) Given that she
accounted for almost 200 of the some 633 hours total expended by Shugart’s current counsel (*see*
Dkt. 189, Ex. F), the evidence as to Deblois is particularly significant.

01 (D.C. Cir. 1980) (en banc) (emphasis in original)). Nor are the billing records accompanied by
02 affidavits or declarations from counsel confirming their truth and accuracy.

03 Noting that the Court, in its previous Order, advised Propet to support any challenge on
04 this issue with a detailed analysis of the evidence submitted and the relevant case law, Shugart
05 again simply attaches the billing records from his attorneys. Yet, the Court also previously noted
06 that it had not yet closely analyzed the evidence submitted and did not assert the sufficiency of that
07 evidence. Ultimately, Shugart bears the burden of establishing the appropriateness of his fee
08 request. *Hensley*, 461 U.S. at 437. *See also Frank Music Corp. v. Metro-Goldwyn-Mayer Inc.*,
09 886 F.2d 1545, 1557 (9th Cir. 1989) (“The trial court correctly refused to accept uncritically
10 plaintiffs’ counsel’s representations concerning the time expended. Plaintiffs bear the burden of
11 showing the time spent and that it was reasonably necessary to the successful prosecution of their
12 copyright claims. The lack of contemporaneous records does not justify an automatic reduction
13 in the hours claimed, but such hours should be credited only if reasonable under the circumstances
14 and supported by other evidence such as testimony or secondary documentation.”) (internal
15 citation to *Sealy, Inc. v. Easy Living, Inc.*, 743 F.2d 1378, 1385 (9th Cir. 1984)). He fails to meet
16 that burden here.⁵

17 Shugart does raise arguments in support of the hours expended in this case. He contends
18 the reasonableness of the hours based on the fact that he was forced to bring his counterclaims at
19 a time when he was ill-prepared to do so, the lack of any reasonable attempt at settlement, and his
20 success in the face of multiple summary judgment and post-trial motions, as well as at trial. He

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22 ⁵ At the same time, the Court recognizes that Propet inadequately responded on the issue
of hours. Moreover, many of its objections could have been cured through discovery.

01 also generally argues as to his procedural disadvantage and the novelty and difficulty of the issues
02 involved in this case.

03 However, Shugart's claim as to his disadvantageous position as a defendant in this matter
04 is not well taken. Documents produced in litigation reveal that Shugart threatened Propet with
05 a lawsuit and a sale of the images at issue in this case on E-Bay if his demands for a financial
06 settlement were not met by a specific deadline. (*See* Dkt. 183, Ex. E.) While he may have felt ill-
07 prepared, Shugart cannot reasonably express surprise at the lawsuit. Nor does the Court perceive
08 or the record reveal any actual disadvantage to Shugart as a defendant/counter claimant in this
09 matter as a whole. Indeed, at trial, the Court allowed Shugart to proceed first. Additionally, while
10 the Court declines to address in detail its perception of the quality of the legal work in this case,
11 it is enough to say that it finds Shugart's two ill-supported motions for attorneys' fees emblematic
12 of the inadequate effort expended by both parties in this litigation. It is also worth noting that
13 Propet's multiple summary judgment motions were the result of the Court's findings as to their
14 prematurity and/or deficiencies, as opposed to the actions of an overly zealous litigant (*see, e.g.*,
15 Dkts. 66, 82, and 118), and that Shugart faced only a single defense witness to his counterclaims,
16 an individual with whom he had no contact during the course of his business relationship with
17 Propet (*see* Dkt. 148 at 321-22). Finally, the Court disagrees with the contention that the legal
18 issues in this case were especially novel or difficult. It could be argued, for example, that the
19 paucity of case law on the DMCA worked to Shugart's advantage.⁶

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21 ⁶ Shugart also cites a survey reflecting the median costs of intellectual property litigation
22 in support of the hours expended. He asserts that Propet alleged that the amount in dispute was
\$30 million and that the median cost for such a litigation amounts to \$1 million through trial, while
a jury verdict of \$1.3 million, as in this case, amounts to a median cost of \$500,000.00 through

01 In sum, the Court concludes that Shugart again falls far short of meeting his burden of
02 establishing his entitlement to the attorneys' fees sought in this case. Because he fails at a
03 fundamental level to establish the reasonableness of the rates or hours at issue, the Court declines
04 to reach the issue of fee enhancement. The question, therefore, is whether the Court should
05 fashion its own determination as to a reasonable hourly rate and reasonable number of hours
06 expended, or deny Shugart's request.

07 As indicated above, the Court has discretion to award costs and reasonable attorneys' fees
08 to a prevailing party under both the Copyright Act and the DMCA. 17 U.S.C. §§ 505, 1203(b)(4),
09 (5). *See also Frank Music Corp.*, 886 F.2d at 1556 ("Plaintiffs in copyright actions may be
10 awarded attorney's fees simply by virtue of prevailing in the action: no other precondition need
11 be met, although the fee awarded must be reasonable.") (emphasis added). "A district court's fee
12 award does not constitute an abuse of discretion unless it is based on an inaccurate view of the law
13 or a clearly erroneous finding of fact." *Fantasy, Inc.*, 94 F.3d at 556 (quoting *Schwarz v.*
14 *Secretary of Health & Human Serv.*, 73 F.3d 895, 900 (9th Cir. 1995)). *See also Mattel Inc. v.*
15 *Walking Mt. Prods.*, 353 F.3d 792, 815 (9th Cir. 2003) ("Generally, a district court's order on
16 attorney's fees may be set aside if the court fails to state reasons for its decision or applies the
17 incorrect legal standard.")

18 Shugart also asserts his right to attorneys' fees under Washington State law due to
19 provisions in the film delivery memo. However, he fails to cite any applicable Washington law,

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21 trial. However, he failed to provide a copy of the survey for the Court's review, asserting
22 restrictions on copying. Also, the Court clarifies that Shugart, not Propet, contended that this
dispute involved some \$30 million, based on his estimate of Propet's gross revenue for the period
in question. (*See* Dkt. 111 at 6 and Dkt. 113 at 7.)

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01 pointing only to a case discussing attorneys' fees under the Washington Law Against
02 Discrimination, *see Chuong Van Pham v. Seattle City Light*, 159 Wn.2d 527, 538-40, 151 P.3d
03 976 (2007), in support of his continued request for a contingency-based enhancement. Given this
04 failing, the Court construes Shugart's request for fees only under the federal law specifically
05 addressed in his motion.

06 The Court's discretion on the issue of attorneys' fees extends to a procedural or like failing
07 on the part of the prevailing party. *See, e.g., Petrone v. Veritas Software Corp.*, 496 F.3d 962,
08 972-74 (9th Cir. 2007) (upholding district court's decision to deny application for attorney's fees
09 filed fifteen days late; stating: "In the end, this is a decision committed to the discretion of the
10 district court. While the district court would not have abused its discretion in granting Malone's
11 fee application, it did not abuse its discretion in denying it.") Here, Shugart twice submitted
12 deficient motions for attorneys' fees. The second motion followed an Order from the Court
13 spelling out the basic requirements for a fee application. The Court finds Shugart's failure to
14 comply with those basic requirements inexcusable. As such, the Court exercises its discretion to
15 deny his application.

16 Lastly, the Court addresses Shugart's request for an award of costs. In his initial motion,
17 Shugart requested a total of \$868.23 in costs. (Dkt. 177 at 1.) Billing records attached to both
18 his previous and renewed motion reflect that those costs derive solely from the period of Shugart's
19 representation by Mann and Whitaker. (*Id.*, Ex. C at 14 and Dkt. 189, Ex. F. at 16.) Neither
20 motion contains any discussion regarding those costs. Nor does Propet specifically challenge the
21 costs.

22 The Court finds a partial award of the costs sought appropriate. Shugart here

01 appropriately seeks costs for photocopying, the creation of tabs for trial notebooks, a conference
02 room expense, and for the purchase of a trial transcript. (*Id.*) The Court finds no basis, however,
03 for the costs associated with the purchase of lunch during trial. Accordingly, excluding the lunch
04 costs, the Court finds Shugart entitled to an award of \$818.26 in costs.

05 CONCLUSION

06 For the reasons described above, Shugart's renewed motion for attorneys' fees is
07 DENIED, while his request for costs is GRANTED in part. The Court finds Shugart entitled to
08 an award of costs in the amount of \$818.26.

09 DATED this 2nd day of May, 2008.

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11 _____
12 Mary Alice Theiler
13 United States Magistrate Judge
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